

WFOA

- (9) Effective July 1, 1996, there shall be an efficiency adjustment as described herein and applied as a reduction to the fixed component of the fee.
- (i) The efficiency adjustment shall be a percentage reduction based on the \$10.12 associated with administration in the fixed component of the fee. Except as provided for in (ii) of subsection (9) of this section, all cost and revenue information, used to determine the efficiency adjustment percentages, shall be based on reported cost and revenue information for the calendar 1992 or 1992-93 cost reporting year. Each provider shall be assigned a percentage value from the table at subclause (3) of this clause, based on total program cost, a program surplus/deficit group designation and an administration percentage group designation.
- (a) Determination of program surplus/deficit group. A determination shall be made as to whether each provider has a program surplus or deficit, for the combined total of all community residence and Day Treatment programs and all residential habilitation and day habilitation services. Surplus/deficit shall equal gross revenue (less any prior period adjustments) minus allowable costs.
- (1) For those providers with a reported deficit, this deficit shall be considered the final deficit amount for the purpose of this calculation.
- (2) For those providers with a reported program surplus, a certain portion of that surplus shall be exempted to establish an adjusted surplus. The adjusted surplus shall be the reported surplus minus the exempt amount. Exempt amounts shall be determined as follows. For providers whose total program costs are:
- (i) less than \$1 million, the exempt amount shall be \$10,000.
- (ii) between \$1 million and less than \$3 million, the exempt amount shall be \$22,500.
- (iii) between \$3 million and \$7 million, the exempt amount shall be \$35,000.
- (iv) over \$7 million, the exempt amount shall be \$40,000.

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- (3) The reported deficit or the adjusted surplus shall be given one of the following designations used to determine the efficiency adjustment percentage in the table at the end of this section:
- (i) S2 if the adjusted surplus is equal to or greater than \$200,000.
 - (ii) S1 if the adjusted surplus is from \$20,000 to \$199,999.
 - (iii) BE if the reported deficit is not greater than (\$19,999) or the adjusted surplus is not greater than \$19,999 (BE - break even).
 - (iv) D1 if the reported deficit is from (\$20,000) to (\$199,999).
 - (v) D2 if the reported deficit is equal to or greater than (\$200,000).
- (b) Determination of a calculated administration percentage group. A determination shall be made of a provider's calculated administration cost, where administration percentage shall equal administration divided by the result of total operating cost minus the sum of capital costs and administration. There shall be five group designations that express the calculated administration percentage as a departure from the average percentage for all provider agencies. Those percentages centered around the average are designated with the abbreviation AVG. There are also two group designations for percentages over the average, abbreviated OA2 and OA1 and two designations for under the average, abbreviated UA2 and UA1. These abbreviations appear in the table of percentages at the end of this section as well as in the following regional tables. Each provider's assignment to one of the five group designations shall be based on the provider's calculated administration percentage, total program cost and elected or assigned region (refer to subdivision (a) of this section). Each provider's administration percentage group designation shall be determined using the following tables.

OFFICIAL**REGION ONE**Program Cost in Millions of Dollars (< less than; > greater than)

< \$1

\$1 to < \$3

\$3 to \$7

> \$7

Administration PercentageGroup.3100 PLUS.4500 PLUS.4500 PLUS.4500 PLUSOA2.2600 .3099.3500 .4499.3500 .4499.3500 .4499OA1.2300 .2599.3200 .3499.3200 .3499.2800 .3499AVG.1900 .2299.2500 .3199.2400 .3199.2400 .2799UA1.0000 .1899.0000 .2499.0000 .2399.0000 .2399UA2**REGION TWO**Program Cost in Millions of Dollars (< less than; > greater than)

< \$1

\$1 to < \$3

\$3 to \$7

> \$7

Administration PercentageGroup.3100 PLUS.4500 PLUS.3500 PLUS.3500 PLUSOA2.2900 .3099.3500 .4499.2800 .3499.2500 .3499OA1.2150 .2899.3200 .3499.2500 .2799.1900 .2499AVG.1900 .2149.2500 .3199.2000 .2499.1700 .1899UA1.0000 .1899.0000 .2499.0000 .1999.0000 .1699UA2**REGION THREE**Program Cost in Millions of Dollars (< less than; > greater than)

< \$1

\$1 to < \$3

\$3 to \$7

> \$7

Administration PercentageGroup.4200 PLUS.3500 PLUS.2800 PLUS.4200 PLUSOA2.3300 .4199.2700 .3499.2550 .2799.3300 .4199OA1.2400 .3299.2250 .2699.2300 .2549.2400 .3299AVG.1851 .2399.1900 .2249.2100 .2299.1851 .2399UA1.0000 .1850.0000 .1899.0000 .2099.0000 .1850UA2

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- (c) Determination of the efficiency adjustment percentage. Each provider shall be assigned an efficiency adjustment percentage value from the following table, based on the surplus/deficit group designation and the administration percentage group designation. The amount associated with the administration component of the fixed fee shall be determined by multiplying the administration component of the fixed fee times the units of service. The resulting total amount shall then be reduced by an efficiency adjustment percentage.

| | <u>S2</u> | <u>S1</u> | <u>BE</u> | <u>D1</u> | <u>D2</u> |
|------------|---------------|---------------|---------------|---------------|---------------|
| <u>OA2</u> | <u>17.00%</u> | <u>16.00%</u> | <u>15.00%</u> | <u>14.00%</u> | <u>13.00%</u> |
| <u>OA1</u> | <u>16.25%</u> | <u>15.25%</u> | <u>14.25%</u> | <u>13.25%</u> | <u>12.25%</u> |
| <u>AVG</u> | <u>15.50%</u> | <u>14.50%</u> | <u>13.50%</u> | <u>12.50%</u> | <u>11.50%</u> |
| <u>UA1</u> | <u>14.75%</u> | <u>13.75%</u> | <u>12.75%</u> | <u>11.75%</u> | <u>10.75%</u> |
| <u>UA2</u> | <u>14.00%</u> | <u>13.00%</u> | <u>12.00%</u> | <u>11.00%</u> | <u>10.00%</u> |

- (1) If a provider agency opens a new Day Treatment program subsequent to the 1992 or 1992-93 cost reporting period, the cell value designated for the new Day Treatment program, shall be the same cell value as that which is designated for all of the provider's other Day Treatment programs, and for which 1992 or 1992-93 cost data are available.
- (2) New agencies operating Day Treatment programs subsequent to the 1992 or 1992-93 cost reporting period shall be assigned the center cell value, i.e., AVG-BE, in the table found in this subclause.
- (ii) A provider may request that OMRDD use a more recent cost reporting period as an alternative to the 1992 or 1992-93 reporting period, to determine the efficiency adjustment percentage as described herein. Approval to use an alternative reporting period shall be granted if, upon a fiscal review by the commissioner, it is determined that the cost report for the alternative reporting period more accurately reflects the provider's current financial status. For the purpose of determining the efficiency adjustment percentage only, providers may submit corrections to their 1992 or 1992-93 cost report. Such corrections shall be certified by a certified public accountant. Providers may request the use of an alternative reporting period or may submit corrections to their 1992 or 1992-93 cost report only once. Such requests or corrections shall be made in writing and received by OMRDD by December 31, 1996. Providers shall also have until December 31, 1996 to notify OMRDD of errors made in calculating the efficiency adjustment.

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- (10) Effective July 1, 1996, there shall be a separate transportation component add-on to the program's fee. This component add-on for each Day Treatment program shall be determined using the following methodology.
- (i) Using a payment/rate data sample from calendar years 1995 and 1996, the weighted transportation average shall be calculated by dividing the aggregate transportation payments by the aggregate transportation units of service on a program specific basis. One round trip shall equal one unit of service.
- (a) The weighted transportation average for each Day Treatment program shall be ranked among all Day Treatment programs statewide.
- (i) If a program's weighted transportation average is \$11.16 or less, the weighted transportation average shall be held 100 percent harmless.
- (ii) If a program's weighted transportation average exceeds \$11.16, forty percent of the weighted transportation average shall be held harmless.
- (b) After deducting the forty percent to be held harmless, the net weighted transportation average for each program (i.e., the remaining 60 percent of the weighted transportation average) shall be re-ranked. Based on the new percentile rankings, a percentage offset shall be deducted from the net weighted transportation average. A program's percentage offset shall be determined by locating its net weighted transportation average (i.e., the remaining 60 percent of the weighted transportation average) in the following table.

| <u>PERCENTILE RANK</u> | <u>NET WEIGHTED TRANSPORTATION AVERAGE</u> | <u>PERCENTAGE OFFSET</u> |
|------------------------|--|------------------------------|
| <u>5 or <</u> | <u>\$0 - \$7.26</u> | <u>5</u> |
| <u>6 to 9</u> | <u>\$7.27 - \$8.13</u> | <u>7.5</u> |
| <u>10 to 29</u> | <u>\$8.14 - \$10.20</u> | <u>10</u> |
| <u>30 to 49</u> | <u>\$10.21 - \$13.32</u> | <u>12.5</u> |
| <u>50 to 59</u> | <u>\$13.33 - \$13.80</u> | <u>15</u> |
| <u>60 to 69</u> | <u>\$13.81 - \$14.01</u> | <u>16.5</u> |
| <u>70 to 79</u> | <u>\$14.02 - \$14.97</u> | <u>20</u> |
| <u>80 to 84</u> | <u>\$14.98 - \$15.77</u> | <u>22.5</u> |
| <u>85 or ></u> | <u>Over \$15.77</u> | <u>25</u> |

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- (c) The amount remaining after the application of the percentage offset (the sixty percent of the weighted transportation average reduced by the offset percentage in the table above) shall be added to the hold harmless amount to determine a program's modified weighted transportation average.
- (1) If the modified weighted transportation average falls below \$11.16, the modified weighted transportation average shall be adjusted to \$11.16.
- (2) If the modified weighted transportation average exceeds \$30.00, the modified weighted transportation average shall be adjusted to \$30.00.
- (d) The modified weighted transportation average shall be multiplied by the total to and from Day Treatment transportation units and divided by the total Day Treatment units of service to create a Day Treatment transportation component add-on. This shall be a separate component added to the Day Treatment fee.
- (ii) If an agency currently providing Day Treatment does not have to and from transportation payment/rate data available for a particular program for the period used to calculate the modified weighted transportation averages, or if a provider agency opens a new Day Treatment program, the modified weighted transportation average shall be equal to the lesser of:
- (a) the new program's budgeted amount for transportation based on the transportation requirements of the person(s) to be transported to and from the new Day Treatment program, or
- (b) the average of the modified weighted transportation averages for all other Day Treatment programs operated by the provider agency.
- (iii) If a provider agency does not currently operate a Day Treatment program and opens a new Day Treatment program, or if a provider agency does not have to and from transportation payment/rate data for any of its Day Treatment programs for the period used to calculate the modified weighted transportation averages, the modified weighted transportation average shall be equal to the lesser of:
- (a) the new program's budgeted amount for transportation based on the transportation requirements of the person(s) to be transported to and from the Day Treatment program, or
- (b) the average of the modified weighted transportation averages for all day habilitation programs operated by the provider agency in accordance with the State's Home and Community Based Services Waiver for persons with mental retardation and developmental disabilities.

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- (iv) If the provider agency does not operate any Day Treatment program or day habilitation program, the modified weighted transportation average shall be equal to the lesser of the new Day Treatment program's budgeted amount for transportation based on the transportation requirements of the person(s) to be transported to and from the Day Treatment program or 75 percent of the regional modified weighted transportation average associated with transporting individuals to and from Day Treatment programs. The table below shows the regional modified weighted transportation averages:

| <u>REGION</u> | <u>AVERAGE</u> | <u>75 PERCENT OF AVERAGE</u> |
|---------------|----------------|----------------------------------|
| <u>1</u> | <u>\$21.37</u> | <u>\$16.03</u> |
| <u>2</u> | <u>\$21.17</u> | <u>\$15.88</u> |
| <u>3</u> | <u>\$15.97</u> | <u>\$11.98</u> |

- (v) Providers that operated only day habilitation programs, under the Home and Community Based Services Waiver, prior to July 1, 1996, and opened a Day Treatment program for the first time between July 1, 1996 and September 26, 1996 and received 75 percent of the regional modified weighted transportation average for day treatment transportation as the transportation add-on component to the Day Treatment fee, shall receive a one time fee adjustment based on the methodological change that became effective on September 26, 1996 as described paragraph (10)(iii) above. The one time fee adjustment shall be either:
- (a) a one time fee increase if the provider's fee effective July 1, 1996 was lower than the new fee effective September 26, 1996, because the lesser of the need-based budgeted transportation amount or the average of the provider agency's day habilitation modified weighted transportation averages is greater than 75 percent of the regional modified weighted average for transportation to and from day treatment, or
- (b) a one time fee decrease if the provider's fee effective July 1, 1996 was higher than the new fee effective September 26, 1996, because the lesser of the need-based budgeted transportation amount or the average of the provider agency's day habilitation modified weighted transportation averages is less than 75 percent of the regional modified weighted average for transportation to and from day treatment.

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11. Effective January 1, 1999 for non-state operated facilities, a cost of living add-on may be included in the final adjusted fee. This add-on will be an increase to the fee due to a 3.5 percent increase in salaries and salary related fringe benefits. Inclusion of the add-on is subject to a resolution of the facility's governing body that funding received will be used solely to effect a 3.5 percent increase beginning with the lowest paid employees. To be deemed reimbursable, it must

be facility and approved by the Commissioner.

12. Effective January 1, 1999, for state operated facilities, a cost of living add-on will be included in the final adjusted fee. This add-on will be the full annual amount of 3.5 percent of the salaries and salary related fringes included in the final fee.

TN 99-05 Approval Date FEB 10 2000
Supersedes TN ~~12-05~~ Effective Date JAN 1 1999

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Type of Service

DAAA (Clinic Treatment and Day
Rehabilitation)

OMH Outpatient Programs Licensed
Under 14 NYCRR Parts 579 and 585:
(to be phased out)

Clinic, Day and Continuing
Treatment Programs

Method of Reimbursement

Flat fee developed by DAAA and approved
by the Division of the Budget.

For freestanding outpatient providers
OMH will establish regional fee schedules
which recognizes regional cost differences.
For hospital-based providers, OMH will
establish cost-related rates subject to ceiling
limitations. All fees and rates are subject to
the approval of the Division of the Budget.

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In addition to these fees, a provider which
has been recommended by the local
governmental unit and designated by the
New York State Office of Mental Health can
receive a supplemental rate for clinic and/or
day treatment programs to cover the cost of
additional rehabilitative services provided
by its community support program(s). Such
rates shall be calculated by dividing the cost
of community support program services
determined to be eligible for Medicaid
reimbursement by the number of services
provided to recipients who are eligible for
Medicaid.

TN **97-39**
Supersedes TN 90-48

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Type of Service

OMH Outpatient Programs Licensed Under 14 NYCRR Parts 587 and 588 (to replace existing programs licensed under 14 NYCRR Parts 585 and 579

Clinic Treatment for Adults, Clinic Treatment for Children, Clinic and Continuing Day Treatment Programs

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Method of Reimbursement

For Freestanding outpatient providers OMH will establish regional fee schedules which recognize regional cost differences. For hospital based providers, OMH will establish cost related rates subject to ceiling limitations. All fees and rates are subject to the approval of the Division of the Budget.

Continuing Day Treatment fees will be tiered so that a client's reimbursement will vary depending on their service utilization during a month. The fee will decrease when a client reaches specified, uniform monthly utilization levels. Freestanding outpatient providers will have three fees representing three utilization levels. Hospital based providers will have two.

In addition to these fees, a provider which has been recommended by the local governmental unit and designated by the New York State Office of Mental Health can receive a supplemental rate for clinic and/or continuing day treatment programs to cover the cost of additional rehabilitative services provided by its community support program(s). Such rates shall be calculated by dividing the cost of community support program services determined to be eligible for Medicaid reimbursement by the number of services provided to recipients who are eligible for Medicaid.

OMH will also set project specific fees for approved projects which examine innovative program and administrative configurations, subject to the approval of the Division of the Budget.

TN 98-28 Approval Date DEC 9 1998
Supersedes TN 90-48 Effective Date AUG 1 1998